



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-092

Mattresses from the People's Republic of China: Preliminary Determination of Sales at Less-Than-Fair-Value, Postponement of Final Determination and Affirmative Preliminary Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that mattresses from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV) for the period of investigation (POI) January 1, 2018, through June 30, 2018. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Stephen Bailey at (202) 482-0193 or Jonathan Hill at (202) 482-3518, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C. 20230.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this

investigation on October 17, 2018.<sup>1</sup> Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.<sup>2</sup> If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. As a result of the partial federal government closure, the revised deadline for the preliminary determination became April 8, 2019. On April 1, 2019, Commerce postponed the preliminary determination of this investigation until May 28, 2019.<sup>3</sup> For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.<sup>4</sup> A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

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<sup>1</sup> *See Mattresses from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 83 FR 52386 (October 17, 2018) (*Initiation Notice*).

<sup>2</sup> *See* memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

<sup>3</sup> *See Mattresses from the People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation*, 84 FR 12198 (April 1, 2019).

<sup>4</sup> *See* Memorandum, "Mattresses from the People's Republic of China: Decision Memorandum for the Preliminary Determination of Sales at Less Than Fair Value" dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

### Scope of the Investigation

The products covered by this investigation are mattresses from China. For a complete description of the scope of this investigation, *see* Appendix I.

### Scope Comments

In accordance with the preamble to Commerce's regulations,<sup>5</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (scope).<sup>6</sup> Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record of this investigation, and accompanying discussion and analysis of comments timely received, *see* Scope Decision Memorandum.<sup>7</sup> Based on comments and rebuttal comments received, Commerce is preliminarily modifying the scope language as it appeared in the *Initiation Notice*. *See* the revised scope in Appendix I to this notice.

### Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce has calculated export prices in accordance with section 772 of the Act. Because China is a non-market economy country within the meaning of section 771(18) of the Act, Commerce has calculated normal value (NV) in accordance with section 773(c) of the Act. Furthermore, pursuant to sections 776(a) and (b) of the Act, Commerce preliminarily has relied upon facts otherwise available, with adverse inferences, for the China-wide entity, which includes Aishu; Apex Maritime Xiamen; Beijing Kang Jie Kong; EON Living; Foshan City Deepsung Home Furniture; Foshan Shunde Yong Heng Package Products Co., Ltd.; Gold Gulf

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<sup>5</sup> *See Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

<sup>6</sup> *See Initiation Notice*, 83 FR at 52387.

<sup>7</sup> *See* Memorandum, "Mattresses from the People's Republic of China: Preliminary Scope Decision" (Scope Decision Memorandum), dated concurrently with this preliminary determination.

International Trade; Guangdong Silique International; Guangdong Silique International GP Win Company; Hangzhou Lintex; Hangzhou Yuchun Home Textile Company; Hangzhou Yudi Hometextile; Hangzhou Samsung Down Products; Honour Lane Shipping; Hubei Lianle Bedding Group Co., Ltd.; Jiangsu Tianma Textile; Jiaxing Yuanchang Furniture Supplier; King Koil; Nantong Mengjini Home Textiles; Ningbo Shida; Relux Mattress Co. Ltd.; Royal HK Bedding; SCM Home Zhejiang; Shenzhen Changding Industries Co. Ltd.; Shanghai Foamemo Furniture; Shenzhen Shenbao Industrial Co Limited; Union Capital Enterprises; Warm Universe Home Products Company; Wong Hau Plastic Works and Trading; Wuxi JHT Textiles; Zhejiang Crafts and Textile; Zhejiang Huaweimei Group Co., Ltd.; and Zhejiang Shiguanghomewaare and Tex. For a full description of the methodology underlying Commerce's preliminary determination, *see* the Preliminary Decision Memorandum.

#### Preliminary Affirmative Determination of Critical Circumstances

In accordance with section 733(e) of the Act and 19 CFR 351.206, Commerce preliminarily determines that critical circumstances do not exist with respect to imports of mattresses from China for the mandatory respondents, Healthcare Co., Ltd. (Healthcare) and Zinus (Xiamen) Inc. (Zinus), but that critical circumstances do exist with respect to all non-individually-examined companies receiving a separate rate and the China-wide entity. For a full description of the methodology and results of Commerce's critical circumstances analysis, *see* the Preliminary Affirmative Determination of Critical Circumstances Memorandum and the Preliminary Decision Memorandum.

#### Combination Rates

In the *Initiation Notice*,<sup>8</sup> Commerce stated that it would calculate producer/exporter

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<sup>8</sup> *See Initiation Notice.*

combination rates for the respondents that are eligible for a separate rate in this investigation.

Policy Bulletin 05.1 describes this practice.<sup>9</sup>

#### Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist:

Exporter	Producer	Estimated Weighted-Average Dumping Margin (Percent)
Healthcare Co., Ltd.	Healthcare Co., Ltd.	38.56%
Zinus (Xiamen) Inc.	Zinus (Xiamen) Inc.	84.64%
Dockter China Limited	Healthcare Co., Ltd.	74.65%
Dockter China Limited	Huizhou Lemeijia Household Products Co., Ltd. (a.k.a. Better Zs, Ltd.)	74.65%
Dockter China Limited	Dongguan Beijianing Household Products Co., Ltd. (a.k.a. Better Zs, Ltd.)	74.65%
Foshan Chiland Furniture Co., Ltd.	Foshan Chiland Furniture Co., Ltd.	74.65%
Foshan City Jinxingma Furniture Manufacture Co., Ltd.	Foshan City Jinxingma Furniture Manufacture Co., Ltd.	74.65%
Foshan City Kewei Furniture Co., Ltd	Foshan City Kewei Furniture Co., Ltd	74.65%
Foshan EON Technology Industry Co., Ltd	Foshan EON Technology Industry Co., Ltd	74.65%
Foshan Mengruo Household Furniture Co., Ltd.	Foshan Mengruo Household Furniture Co., Ltd.	74.65%
Foshan Qisheng Sponge Co., Ltd.	Foshan Qisheng Sponge Co., Ltd.	74.65%
Foshan Ruixin Non Woven Co., Ltd.	Foshan Ruixin Non Woven Co., Ltd.	74.65%
Foshan Ziranbao Furniture Co., Ltd.	Foshan Ziranbao Furniture Co., Ltd.	74.65%

<sup>9</sup> See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Guangdong Diglant Furniture Industrial Co., Ltd.	Guangdong Diglant Furniture Industrial Co., Ltd.	74.65%
Healthcare Sleep Products Limited	Healthcare Sleep Products Limited	74.65%
Hong Kong Gesin Technology Limited	Inno Sports Co., Ltd.	74.65%
Jiangsu Wellcare Household Articles Co., Ltd.	Jiangsu Wellcare Household Articles Co., Ltd.	74.65%
Jiaxing Taien Springs Co., Ltd.	Jiaxing Taien Springs Co., Ltd.	74.65%
Jiaxing Visco Foam Co., Ltd.	Jiaxing Visco Foam Co., Ltd.	74.65%
Jinlongheng Furniture Co., Ltd.	Jinlongheng Furniture Co., Ltd.	74.65%
Inno Sports Co., Ltd.	Inno Sports Co., Ltd.	74.65%
Luen Tai Global Limited	Luen Tai Global Limited	74.65%
Luen Tai Group (China) Limited	Shenzhen L&T Industrial Co., Ltd.	74.65%
Man Wah Furniture Manufacturing (Hui Zhou) Co., Ltd., Man Wah (MACAO Commercial Offshore), Ltd. and Man Wah (USA), Inc.	Man Wah Household Industry (Huizhou) Co., Ltd.	74.65%
Ningbo Megafeat Bedding Co., Ltd.	Ningbo Megafeat Bedding Co., Ltd.	74.65%
Ningbo Shuibishen Home Textile Technology Co., Ltd.	Ningbo Shuibishen Home Textile Technology Co., Ltd.	74.65%
Nisco Co., Ltd.	Healthcare Co., Ltd.	74.65%
Quanzhou Hengang Imp. & Exp. Co., Ltd.	Quanzhou Hengang Industries Co., Ltd.	74.65%
Shanghai Glory Home Furnishings Co., Ltd.	Shanghai Glory Home Furnishings Co., Ltd.	74.65%
Sinomax Macao Commercial Offshore Limited	Dongguan Sinohome Limited	74.65%
Sinomax Macao Commercial Offshore Limited	Sinomax (Zhejiang) Polyurethane Technology Ltd.	74.65%
Wings Developing Co., Limited	Quanzhou Hengang Industries Co., Ltd.	74.65%

Xianghe Kaneman Furniture Co., Ltd.	Xianghe Kaneman Furniture Co., Ltd.	74.65%
Xilinmen Furniture Co., Ltd.	Xilinmen Furniture Co., Ltd.	74.65%
Zhejiang Glory Home Furnishings Co., Ltd.	Zhejiang Glory Home Furnishings Co., Ltd.	74.65%
China-wide Entity	China-wide Entity	1.731.75%

### Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of subject merchandise as described in the scope of the investigation section entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*, as discussed below. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require a cash deposit equal to the weighted average amount by which normal value exceeds U.S. price, as indicated in the table above as follows: (1) for the producer/exporter combinations listed in the table above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of China producers/exporters of subject merchandise that have not established eligibility for their own separate rates, the cash deposit rate will be equal to the estimated weighted-average dumping margin established for the China-wide entity; and (3) for all third-country exporters of the subject merchandise not listed in the table above, the cash deposit rate is the cash deposit rate applicable to the China producer/exporter combination (or the China-wide entity) that supplied that third-country exporter.

Section 733(e)(2) of the Act provides that, given an affirmative determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of (a) the date which is 90 days before the date on which the suspension of liquidation was first ordered, or (b) the date on which notice of initiation of the investigation was published.

Commerce preliminarily finds that critical circumstances do not exist for imports of subject merchandise from Healthcare and Zinus, but that critical circumstances do exist for all non-individually-examined companies receiving a separate rate and the China-wide entity. In accordance with section 733(e)(2)(A) of the Act, the suspension of liquidation shall apply to all unliquidated entries of merchandise from the exporter/producer combinations identified above that were entered, or withdrawn from warehouse, for consumption on or after the date which is 90 days before the publication of this notice.

These suspension of liquidation will remain in effect until further notice.

#### Disclosure

Commerce intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

#### Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify information relied upon in making its final determination.

#### Public Comment



Case briefs or other written comments, on all issues other than scope issues, may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the last final verification report is issued in this investigation, unless the Secretary alters the time limit. Rebuttal case briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.<sup>10</sup>

Interested parties may address Commerce's preliminary scope determination in scope briefs which may be submitted to the Assistant Secretary for Enforcement and Compliance no later than 30 days after the publication of the preliminary AD determination in the *Federal Register*. Rebuttal scope briefs, limited to issues raised in scope briefs, may be submitted no later than five days after the deadline date for scope briefs. Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

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<sup>10</sup> See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

### Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Pursuant to 19 CFR 351.210(e)(2), Commerce requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On March 29, 2019, pursuant to 19 CFR 351.210(e)(1), Zinus requested that Commerce postpone the final determination, and that provisional measures be extended to a period not to exceed six months.<sup>11</sup> In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and (e)(2), because (1) the preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make the final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.<sup>12</sup>

### International Trade Commission Notification

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<sup>11</sup> See Letter from Zinus, “Mattresses from the People's Republic of China: Request for Postponement of Final Determination and Extension of Provisional Measures Period,” dated March 29, 2019.

<sup>12</sup> See 19 CFR 351.210(e).

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination of sales at LTFV. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether imports of the subject merchandise are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: May 28, 2019

Christian Marsh  
Deputy Assistant Secretary  
for Enforcement and Compliance

## Appendix I

### Scope of the Investigation

The scope of this investigation covers all types of youth and adult mattresses. The term “mattress” denotes an assembly of materials that at a minimum includes a “core,” which provides the main support system of the mattress, and may consist of innersprings, foam, other resilient filling, or a combination of these materials. Mattresses may also contain (1) “upholstery,” the material between the core and the top panel of the ticking on a single-sided mattress, or between the core and the top and bottom panel of the ticking on a double-sided mattress; and/or (2) “ticking,” the outermost layer of fabric or other material (*e.g.*, vinyl) that encloses the core and any upholstery, also known as a cover.

The scope of this investigation is restricted to only “adult mattresses” and “youth mattresses.” “Adult mattresses” have a width exceeding 35 inches, a length exceeding 72 inches, and a depth exceeding 3 inches on a nominal basis. Such mattresses are frequently described as “twin,” “extra-long twin,” “full,” “queen,” “king,” or “California king” mattresses. “Youth mattresses” have a width exceeding 27 inches, a length exceeding 51 inches, and a depth exceeding 1 inch (crib mattresses have a depth of 6 inches or less from edge to edge) on a nominal basis. Such mattresses are typically described as “crib,” “toddler,” or “youth” mattresses. All adult and youth mattresses are included regardless of actual size description.

The scope encompasses all types of “innerspring mattresses,” “non-innerspring mattresses,” and “hybrid mattresses.” “Innerspring mattresses” contain innersprings, a series of metal springs joined together in sizes that correspond to the dimensions of mattresses. Mattresses that contain innersprings are referred to as “innerspring mattresses” or “hybrid mattresses.” “Hybrid mattresses” contain two or more support systems as the core, such as layers of both memory foam and innerspring units.

“Non-innerspring mattresses” are those that do not contain any innerspring units. They are generally produced from foams (*e.g.*, polyurethane, memory (viscoelastic), latex foam, gel-infused viscoelastic (gel foam), thermobonded polyester, polyethylene) or other resilient filling.

Mattresses covered by the scope of this investigation may be imported independently, as part of furniture or furniture mechanisms (*e.g.*, convertible sofa bed mattresses, sofa bed mattresses imported with sofa bed mechanisms, corner group mattresses, day-bed mattresses, roll-away bed mattresses, high risers, trundle bed mattresses, crib mattresses), or as part of a set in combination with a “mattress foundation.” “Mattress foundations” are any base or support for a mattress. Mattress foundations are commonly referred to as “foundations,” “boxsprings,” “platforms,” and/or “bases.” Bases can be static, foldable, or adjustable. Only the mattress is covered by the scope if imported as part of furniture, with furniture mechanisms, or as part of a set in combination with a mattress foundation.

Excluded from the scope of this investigation are “futon” mattresses. A “futon” is a bi-fold frame made of wood, metal, or plastic material, or any combination thereof, that functions as

both seating furniture (such as a couch, love seat, or sofa) and a bed. A “futon mattress” is a tufted mattress, where the top covering is secured to the bottom with thread that goes completely through the mattress from the top through to the bottom, and it does not contain innersprings or foam. A futon mattress is both the bed and seating surface for the futon.

Also excluded from the scope are airbeds (including inflatable mattresses) and waterbeds, which consist of air- or liquid-filled bladders as the core or main support system of the mattress.

Further, also excluded from the scope of this investigation are any products covered by the existing antidumping duty order on uncovered innerspring units. *See Uncovered Innerspring Units from the People’s Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009).

Additionally, also excluded from the scope of this investigation are “mattress toppers.” A “mattress topper” is a removable bedding accessory that supplements a mattress by providing an additional layer that is placed on top of a mattress. Excluded mattress toppers have a height of four inches or less.

The products subject to this investigation are currently properly classifiable under Harmonized Tariff Schedule for the United States (HTSUS) subheadings: 9404.21.0010, 9404.21.0013, 9404.29.1005, 9404.29.1013, 9404.29.9085, and 9404.29.9087. Products subject to this investigation may also enter under HTSUS subheadings: 9404.21.0095, 9404.29.1095, 9404.29.9095, 9401.40.0000, and 9401.90.5081. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

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- [FR Doc. 2019-11577 Filed: 6/3/2019 8:45 am; Publication Date: 6/4/2019]